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Statement of Basis for Renewal and Modification of Class III Area Permit

UIC Permit No. UTU-19-AP-1C3C2E8

April, 2015

Intrepid Potash - Moab, LLC
P.O. Box 1208
Moab, Utah 84532

Cane Creek Mine, Grand County, Utah

Intrepid Potash - Moab, LLC (Intrepid) has made application for renewal and modification of an Underground Injection Control (UIC) area permit for their Cane Creek potash and salt solution mining facility located approximately 7 miles southwest of Moab, Utah.

The Intrepid UIC Class III permit renewal is being issued for the remaining life of the project. The permit will be reviewed once every five (5) years to determine whether it should be modified, revoked and re-issued, terminated, or undergo minor modification according to regulatory requirements and allowances detailed in Part II (D)(6) of the permit.

The permit has been substantially rewritten to improve the implementation of the permit requirements by Intrepid and the regulatory oversight of those requirements by the Utah Division of Water Quality (Division). Part I of the permit is the Authorization to Construct and Inject. Part II includes all general permit conditions required in all UIC permit with the focus on Class III permits. Part III contains all the specific permit conditions required of all Class III solution mining permits and particularly for the Intrepid facility.

Part III of the permit is written such that the permit conditions will not change throughout the remaining life of the permit. If permit modifications are required, they will be achieved through modification of the enforceable attachments to the permit which are based on the specific requirements in Part III. Additionally, any conditions in Part II of the permit that require action by the permittee have been duplicated in Part III to assist the implementation and oversight of those conditions by the permittee and the Division, respectively. Finally, Part III include five compliance schedule items for updating the Construction Plan, the Operating Plan, the Monitoring, Recording and Reporting Plan, the Plugging and Abandonment Plan, and the Installation of a Continuous Monitoring System.